

DEPARTMENT OF HEALTH SERVICES

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Sacramento, California 94234-7320

(916) 657-1400

July 25, 1997

PPL No. 97-014



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DEPT. OF HEALTH SERVICES

All County Medi-Cal Administrative Activities/
Targeted Case Management Coordinators and
Advisory Committee Members

**ALLOCATING COST FOR STAFF WHO PERFORM BOTH MAA/TCM
COORDINATION and CLAIMS ADMINISTRATION, AND OVERHEAD FUNCTIONS
(AN EXCEPTION TO THE MAA INVOICE INSTRUCTIONS)**

The purpose of this transmittal is to provide all Local Governmental Agencies participating in the Medi-Cal Administrative Activities (MAA) program an accepted methodology of allocating cost for staff who perform both MAA/TCM Coordination and Claims Administration as well as functions which are overhead in nature and would normally be included in Cost Pool #6.

According to the current MAA Invoice Instructions, to Direct Charge the cost of time spent on MAA/TCM Coordination and Claims Administration, the staff performing that activity must not be included in the indirect, or overhead rate assigned to Cost Pool #6. If this activity is not performed 100% of the employee's paid time, and no other MAA is performed, the percentage of time spent on MAA/TCM Coordination and Claims Administration must be certified. The total cost for salary and benefits is entered in Section III of the Direct Charge Worksheet of the MAA Invoice. These costs are multiplied by the percentage of certified time performing MAA/TCM Coordination and Claims Administration and carried forward to Cost Pool #5, Direct Charges Non-Enhanced. The balance is carried forward to Cost Pool #3c, Non-Claimable Balance from Direct Charge.

Occasionally staff performing MAA/TCM Coordination and Claims Administration on a part time basis also perform functions that would normally be included in Cost Pool #6. An example would be performing basic accounting functions for the entire claiming unit. In order to capture the cost for the overhead or administrative type functions normally assigned to Cost Pool #6, an exception to the MAA Invoice Instructions (PPL No. 97-006) must be made. The salary and benefit costs of staff must be multiplied by the certified percentage of time spent on MAA/TCM Coordination and Claims Administration and the resulting portion of these costs entered in Section III of the Direct Charge Worksheet of the MAA Invoice. The time factor would be 100%. The remaining costs would be assigned to Cost Pool #6 to be allocated to the other cost pools.

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Please ensure this information is placed in the Provider Manual under the MAA Section 8 and disseminated to appropriate LGA staff. If you have any questions regarding this matter, please contact the Federal Liaison staff assigned to your Local Governmental Agency.

Sincerely,

A handwritten signature in black ink, appearing to read "Darryl Nixon", followed by a long horizontal line extending to the right.

Darryl Nixon, Chief
Medi-Cal Benefits Branch

Targeted Case Management:	
Medical Administrative Activities:	X
Policy Effective Date:	7-1-95
Policy Reference:	PPL No. 97-006

cc: See next page

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